

## Message Text

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ACTION SS-15

INFO OCT-01 NEA-10 ISO-00 PM-04 NSC-05 SP-02 ACDA-07 L-03

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TO SECSTATE WASHDC 4734

SECDEF WASHDC

INFO USCINCEUR VAIHINGEN GERMANY

S E C R E T SECTION 1 OF 2 JIDDA 3563

E.O. 11652: GDS

TAGS: MASS, US, SA

SUBJECT: MAAG REQUIREMENT STUDY

REF: STATE 119079

SUMMARY: ONE OF THE MOST CRITICAL AND COMPLEX DIMENSIONS OF AMERICAN FOREIGN POLICY TOWARD SAUDI ARABIA IS THE BROAD-BASED U.S. MILITARY ASSISTANCE PROGRAM. THIS IS TRUE FOR TWO REASONS: (1) HAVING TAKEN THE DECISION TO MODERNIZE THEIR ARMED FORCES, THE SAUDIS WANT THE BEST TRAINING AND EQUIPMENT AVAILABLE, AND IN MOST CASES THIS MEANS GETTING THEM FROM THE UNITED STATES; AND (2) THE SAUDIS SEE THE U.S. WILLINGNESS TO MEET WHAT THEY REGARD AS THEIR LEGITIMATE DEFENSE NEEDS AS AN INDICATION OF THE TRUE DEGREE OF OUR CONCERN FOR THE PRESERVATION AND DEVELOPMENT OF GOOD BILATERAL RELATIONS. IN THE CONTEXT OF SAUDI ARABIA'S VAST ENERGY AND FINANCIAL RESOURCES THE MAINTENANCE OF GOOD BILATERAL RELATIONS IS OF STRATEGIC IMPORTANCE TO THE UNITED STATES. IF

WE ARE TO MAINTAIN THESE RELATIONS AND THE INFLUENCE THAT GOES WITH IT, WE CAN SEE NO ALTERNATIVE TO THE CONTINUATION OF THE U.S. MILITARY ASSISTANCE EFFORT.

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THERE ARE THREE MAJOR U.S. MILITARY ACTIVITIES

IN SAUDI ARABIA: U.S. MILITARY TRAINING MISSION (OR USMTM AS OUR MAAG IS CALLED); U.S. ARMY CORPS OF ENGINEERS (COE); AND THE SAUDI ARABIAN NATIONAL GUARD MODERNIZATION PROGRAM (SANG). OF THESE THREE, USMTM HAS THE LION'S SHARE OF THE PROGRAM TO EQUIP AND TRAIN THE SAUDI ARABIAN ARMED FORCES (SAAF). PRESENTLY BOTH COE AND SANG COSTS ARE FULLY REIMBURSED BY THE SAUDI ARABIAN GOVERNMENT (SAG). ASSUMING THAT SAG ACTS FAVORABLY ON TWO PENDING FMS CASES, USMTM WILL ALSO BE FULLY PAID FOR BY SAG AND, HOPEFULLY NOT BE SUBJECT TO SHARP REDUCTION UNDER NEW SECURITY ASSISTANCE LEGISLATION. END SUMMARY.

1. OVER THE PAST THREE YEARS THE USG HAS AGREED TO SELL SIGNIFICANT AMOUNTS OF US MILITARY EQUIPMENT TO THE SAG AND TO PROVIDE TRAINING ON THIS EQUIPMENT. THE AGREEMENTS WILL RESULT IN A SIGNIFICANT "AMERICANIZATION" OF SAAF. THE EXTENT OF THE SAUDI COMMITMENT TO PURCHASE AMERICAN EQUIPMENT AND USE U.S. PERSONNEL FOR TRAINING IS SUMMARIZED AS FOLLOWS:

A. SAUDI ARABIAN ARMY (SAA)

(1) TWO SAUDI INFANTRY BRIGADES ARE TO BE CONVERTED TO MECHANIZED INFANTRY BRIGADES. THE EQUIPMENT INVOLVED (INCLUDING INTER ALIA M60 TANKS, M113 APCs, VULCAN, TOW, LAW, DRAGON AND REDEYE) IS ALL US MANUFACTURE AND WILL BE PROCURED UNDER FMS. INITIAL TRAINING IS TO BE PROVIDED BY US ARMY TEAMS. CONTRACTOR SUPPORT IS EXPECTED TO BE PROVIDED BY AN EXPANSION OF THE BENDIX-SYANCO CONTRACTOR UNDER THE US ARMY MANAGED SAUDI ORDINANCE CORPS PROGRAM. THIS TWO BRIGADE MODERNIZATION WILL BE ACCOMPLISHED IN APPROXIMATELY THREE YEARS. FOLLOWING COMPLETION, THE SAUDIS CAN BE EXPECTED TO REQUEST FURTHER EQUIPMENT SALES AND US TRAINING ASSISTANCE TO CONVERT THEIR TWO REMAINING INFANTRY BRIGADES TO MECHANIZED INFANTRY BRIGADES.

(2) SAA AIR DEFENSE. A DIRECT CONTRACT WITH RAYTHEON HAS BEEN SIGNED FOR CONVERTING TEN (10) EXISTING HAWK BATTERIES TO THE IMPROVED HAWK CONFIGURATION. A LETTER OF INTENT (LOI) HAS BEEN SIGNED WITH RAYTHEON

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FOR THE PURCHASE OF SIX (6) ADDITIONAL I-HAWK BATTERIES. BOTH CONTRACTS CALL FOR RAYTHEON PARTICIPATION IN MAINTENANCE AND SUPPLY SUPPORT OF THE HAWK ASSETS.

ADDITIONALLY, THE MINISTRY OF DEFENSE AND AVIATION (MODA) IS NEGOTIATING WITH LITTON FOR THE PURCHASE AND INSTALLATION OF AN ARMY AIR DEFENSE COMMAND AND CONTROL SYSTEM USING THE TSQ-73; RADARS, AND A TROPO

COMMUNICATIONS SYSTEM.

B. ROYAL SAUDI AIR FORCE (RSAF)

(1) SIXTY ADDITIONAL F5E/F HAVE BEEN SOLD TO SAUDIS UNDER FMS, MAKING A TOTAL OF GPO F-5 B, E AND F AIRCRAFT IN THE RSAF INVENTORY. INITIAL DELIVERY OF THE 60 ADDITIONAL AIRCRAFT WILL BE JANUARY 1977.

(2) MODA RECENTLY SIGNED AN LOA FOR \$1.6 BILLION FOR A THREE YEAR CONTINUATION OF NORTHROP MAINTENANCE AND SUPPLY SUPPORT FOR THEIR 5F FORCE. THE LOA INCLUDES \$500 MILLION FOR CONSTRUCTION AT THREE FIGHTER BASES: DHAHRAN, TAIF, AND KHAMIS MUSHAYT. PROGRAM AND CONTRACT MANAGEMENT OF THIS EFFORT IS BEING ACCOMPLISHED BY DET 22 OF THE AIR FORCE LOGISTICS COMMAND (AFLC) (PRESENT MANNING 30; PROJECTED MANNING 69).

(3) RSAF HAS A MAINTENANCE/SUPPLY SUPPORT CONTRACT WITH LOCKHEED FOR 28 CGAQEPS. RSAF PLANS TO PURCHASE TEN ADDITIONAL C-130S.

(4) LOCKHEED ALSO HAS A MAINTENANCE/TRAINING CONTRACT FOR THE RSAF GROUND ENVIRONMENT SYSTEMS (RADARS, AIR DEFENSE COMMAND/CONTROL, AND NAVIGATION AIDS).

(5) SAG/MODA HAVE EXPRESSED A HIGH DEGREE OF INTEREST IN REPLACING THEIR BRITISH LIGHTING FIGHTERS WITH ONE OF THE NEW US FIGHTERS (F-14, F-15, OR F-16). A SAUDI TEAM OF PILOTS AND TECHNICIANS HAS JUST ENDED A TRIP TO CONUS TO EVALUATE THESE AIRCRAFT.

(6) DOD HAS AGREED TO TRAIN 120 RSAF PILOTS AND 1,200 RSAF TECHNICIANS IN CONUS OVER NEXT FOUR YEARS.

C. ROYAL SAUDI NAVAL FORCE (RSNF)

(1) UNDER THE SAUDI NAVAL EXPANSION PROGRAM (SNEP), THE USG HAS AGREED TO BUILD 25 SHIPS/WATERCRAFT FOR THE RSNF. TWO YTBS HAVE BEEN DELIVERED; THE

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REMAINING 23 VESSELS WILL BE DELIVERED OVER THE NEXT SEVEN YEARS.

(2) DOD HAS AGREED TO TRAIN 2,000 RSNF TECHNICIANS IN CONUS OVER NEXT FOUR YEARS.

(3) CONSTRUCTION OF TWO NAVAL BASES AND A HEADQUARTERS BY US COE IS AN INTEGRAL PART OF THIS NAVAL EXPANSION PROGRAM.

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2. IN ADDITION TO THE ABOVE PROGRAMS, WHICH ARE LARGELY UNDER THE IN-COUNTRY DIRECTION OF USMTM, THERE ARE TWO OTHER SIGNIFICANT US DOD EFFORTS IN SAUDA ARABIA. A SUMMARY OF THEIR ACTIVITIES FOLLOWS:

A. US ARMY COE HAS SUPERVISED CONSTRUCTION OF \$270 MILLION WORTH OF MILITARY FACILITIES SINCE 1953. CURRENTLY \$3800 MILLION UNDER CONSTRUCTION. COE PROGRAM OVER NEXT 10 YEARS COULD TOTAL \$18 BILLION WHICH WOULD INCLUDE CONSTRUCTION IN THE CIVILIAN SECTOR AS WELL. THE COE PRESENTLY OPERATES THE SAUDI ORDINANCE CORP PROGRAM (SOCP). THIS PROGRAM IS SCHEDULED FOR TRANSFER FROM COE TO USMTM. SOCP PERSONNEL ADVISE SAA ORDINANCE CORPS ON MAINTENANCE AND SUPPLY AS WELL AS MANAGING 700 MAN BENDIX-SYANCO CONTRACT.

B. SAUDI ARABIAN NATIONAL GUARD (SANG) PROJECT MANAGER IS CURRENTLY RESPONSIBLE FOR MODERNIZATION OF OUR (4) NATIONAL GUARD BATTALIONS. SANG ALSO MANAGES CONTRACTS WITH VINNELL, CADILLAC-GAGE, GENERAL ELECTRIC AND HUGHES.

3. OVERALL MILITARY MODERNIZATION PROGRAM IN SAUDI ARABIA HAS MOVED WELL INTO THE IMPLEMENTATION STAGE.

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A SIGNIFICANT EXPANSION OF USMTM (UNDER PROGRAMMED REIMBURSEMENT BY SAG) WILL BE REQUIRED TO INSURE

SUCCESSFUL IMPLEMENTATION OF THE PROGRAM OVER NEXT FOUR YEARS. HOWEVER, THE CONTINUATION OF THE U.S. MILITARY TRAINING EFFORT CENTERS ON USMTM SINCE COE, SOCP, SANG AND DET 22 COSTS ARE FULLY REIMBURSED BY SAG. THE PRESENT AUTHORIZED STRENGTH OF USMTM IS 160. THERE ARE 39 ADDITIONAL PERSONNEL ASSIGNED TO OTHER AGENCIES IN-COUNTRY WHO PROVIDE SUPPORT IN THE AREAS OF MILITARY AIRLIFT, APO, COMMISSARIES, COMMUNICATION AND MEDICAL SUPPORT. USG CURRENTLY FUNDS USMTM PERSONNEL COSTS, IN-COUNTRY COMMUNICATIONS COSTS AND IN-COUNTRY AIRLIFT COSTS. SAG PROVIDES LIVING FACILITIES AND WORK AREAS, UTILITIES, VEHICLES, GASOLINE, AIRLINE TICKETS, FURNITURE AND APPLIANCES AS AID-IN-KIND. A NEW MEMORANDUM OF UNDERSTANDING (MOU) AND TWO FMS SUPPORT CASES WHICH EFFECTIVELY TRANSFER FUNDING OF USMTM TO SAG HAVE BEEN PROPOSED AND ARE UNDER CONSIDERATION BY SAG. EXPECTED AGREEMENT OF SAG ON THE TRANSFER OF THIS FUNDING RESPONSIBILITY TO SAG WILL ALLOW CONTINUATION AND NECESSARY EXPANSION OF USMTM DURING THE NEXT THREE YEARS AND WOULD ELINIMATE ANY FURTHER NEED OF LARGE-SCALE FUNDING. (FYI, PROJECTED MAXIMUM GROWTH OF USMTM WILL BE TO A TOTAL OF 315 PLUS A MAXIMUM IN-COUNTRY TAFT STRENGTH OF 200 AT ANY ONE TIME. PROPOSED FMS SUPPORT CASES UNDER CONSIDERATION BY SAG ARE SUFFICIENT FOR SAG REIMBURSEMENT UP TO THE 315 MAN LEVEL. COSTS OF INDIVIDUAL TAFTS WILL ALSO BE REIMBURSED AND WILL BE INCLUDED IN INDIVIDUAL LOAS.)

4. IN CONCLUSION, WE CAN SEE NO SATISFACTORY ALTERNATIVE TO A CONTINUATION AND EXPANSION OF USMTM IN THE NEXT FIVE YEARS, ASSUMING THAT THE SAG AGREES TO FULLY REIMBURSE THE USG.

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